

June 24, 2011

Filed Via ECFS

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Notice of Ex parte regarding: WC Docket Nos. 10-90, 07-135, 05-337 and 03-109, GN Docket No. 09-51 and CC Docket Nos. 01-92 and 96-45 in the matter of Connect America Fund, a National Broadband Plan for Our Future, Establishing Just and Reasonable Rates for Local Exchange Carriers, High-cost Universal Support, developing a Unified Intercarrier Compensation Regime, federal-State Joint Board on Universal Service, Lifeline and Link-up

Dear Ms Dortch:

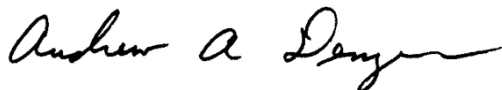
On June 23, 2011, Mary Meyer of Madison Telephone LLC, Tony Duet of Lafourche Telephone Company LLC, Archie Macias of Wheat State Telephone Company, Inc., Stuart Polikoff of The Organization for the Promotion and Advancement of Small Telecommunication Companies (OPASTCO), and Andy Denzer of Warinner, Gesinger and Associates, LLC met with the following members of the Federal Communications Commission's Wireline Competition Bureau, Jennifer Prime, Greg Seigel, Katie King, Kevin King, and Margaret Mc Carthy of Commissioner Copp's Office, and Angela Kronenberg of Commissioner Clyburn's Office to discuss the FCC's pending universal service and inter-carrier compensation notice of proposed rulemaking in the referenced dockets. The discussion was both in general and how the proposed changes impact Madison specifically.

Madison previously filed comments on April 18, 2011 in the mentioned dockets and on July 12, 2010 in the additional WC Docket Nos. 10-90 and 05-337, and GN Docket 09-51.

Mary Meyer presented the company statics; financial information related to regulated and non-regulated operations; the analysis of the impact of the FCC's proposed USF and inter-carrier compensation reform as presented in comments filed on April 18, 2011, including the supporting documentation. In addition, information was presented regarding the fact that Kansas established a Kansas Universal Service Fund and statewide average local rates fifteen years ago, and that Kansas's approved intrastate access charges are in parity with interstate access charges.

On behalf of Madison Telephone LLC and pursuant to Section 1.1206(b) of the Commission's rules, a redacted version of this submission is filed for inclusion in the public record of the referenced proceeding.

Sincerely,



Andrew A. Denzer, Principal

WARINNER, GESINGER & ASSOCIATES, LLC

cc: Mary Meyer, Madison Telephone LLC

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MADISON TELEPHONE, LLC

EX PARTE PRESENTATION TO FCC WIRELINE COMPETITION BUREAU STAFF

**CONFIDENTIAL INFORMATION SUBJECT TO
PROTECTIVE ORDER IN CC DOCKET NO. 01-92, WC DOCKET
NO.S 05-337, 07-135, AND 10-90 AND GN DOCKET NO .09-51 BEFORE THE FCC**

Washington, D.C.

June 23, 2011



AGENDA

- I. INTRODUCTIONS
- II. PURPOSE OF VISIT
- III. MADISON INFORMATION
- IV. MADISON COMMENTS TO FCC PROPOSALS
- V. KANSAS INTRASTATE INFORMATION
- VI. QUESTIONS
- VII. CONCLUSIONS

CONFIDENTIAL INFORMATION SUBJECT TO PROTECTIVE ORDER IN DOCKETS WC 10-90, 05-337, 07-135, GN 09-51, CC 01-92

I. INTRODUCTIONS

Mary Meyer, Chief Executive Officer
Madison Telephone, LLC
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Andy Denzer, Principal
Warinner, Gesinger & Associates, LLC (WGA)
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CONFIDENTIAL INFORMATION SUBJECT TO PROTECTIVE ORDER IN DOCKETS WC 10-90, 05-337, 07-135, GN 09-51, CC 01-92

II. PURPOSE OF VISIT

- A. Address impact of USF and ICC Reform on Madison
- B. Provide Company specific data
- C. Support for the Rural Association's Plan for Rate of Return RLEC's
- D. Highlight FCC Comments filed by Madison
- E. Provide Kansas information on intrastate access rates and KUSF

CONFIDENTIAL INFORMATION SUBJECT TO PROTECTIVE ORDER IN DOCKETS WC 10-90, 05-337, 07-135, GN 09-51, CC 01-92

III. MADISON INFORMATION

A. Madison Associations/Memberships

NECA, State Independent Telephone Association of Kansas (SITA) and KTIA

B. Madison Telephone, LLC–Rate of Return ILEC

MadTel Long Distance provider

Member of KIT originally to provide internet

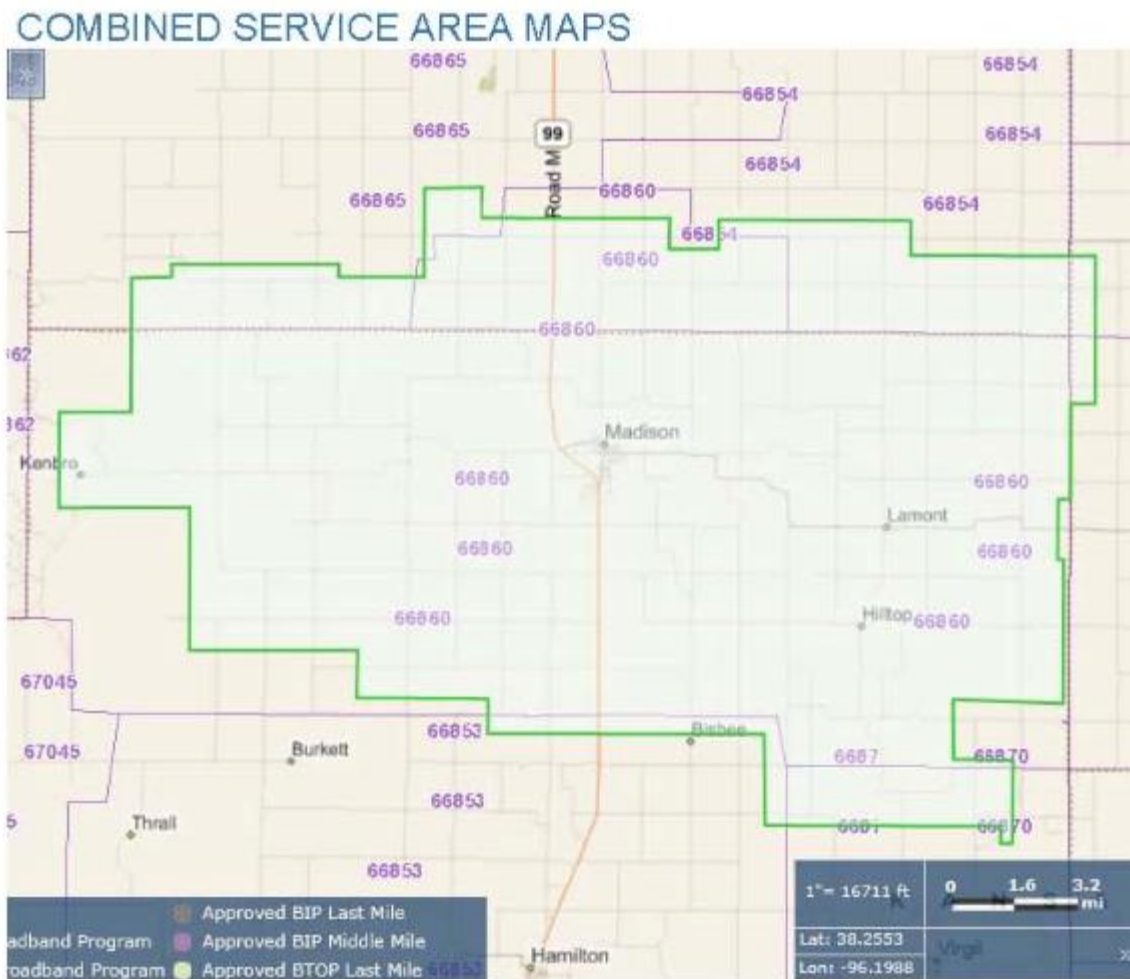
Member of KFN, a Kansas statewide backbone

network facilities and tandem switching provider

Agent for Verizon Wireless

CONFIDENTIAL INFORMATION SUBJECT TO PROTECTIVE ORDER IN DOCKETS WC 10–90, 05–337, 07–135, GN 09–51, CC 01–92

C. Map



CONFIDENTIAL INFORMATION SUBJECT TO PROTECTIVE ORDER IN DOCKETS WC 10-90, 05-337, 07-135, GN 09-51, CC 01-92

D. Company Statistics

1. Madison Telephone, LLC began its service to the Madison Kansas area in 1946. The Company is family owned and continues with third generation today.
2. Madison is the only local service provider in the square miles in East/Southeast Kansas. The network currently has miles of copper plus a fiber ring connecting DLC. Madison is currently in the process of deploying fiber as a result of a stimulus award from Round 1.
3. Madison serves 2 exchanges, Madison with population of 729 and Lamont with population of 55. Madison City is 30 miles from the county seat. Madison currently serves approximately lines (customers per route mile).
4. There are cell towers in Madison's service area; used by a wireless carrier, but everything is microwave from this tower. Several wireless carriers serve the area, but due to the topographical nature of the area, the signal is greatly compromised.

CONFIDENTIAL INFORMATION SUBJECT TO PROTECTIVE ORDER IN DOCKETS WC 10-90, 05-337, 07-135, GN 09-51, CC 01-92

D. Company Statistics (continued)

5. The community is mainly an agriculture/oil producing area and many of the Madison's subscribers work in these fields.
6. Madison has 2 disaggregated zones in its service area. Zone 1 with subscribers is served from the Madison switch and Zone 2 with subscribers is served from DLCs.
7. All subscribers have access to DSL in Madison's service area. Up to mg is offered in Zone 1 around and mg to Zone 2 the rural customers.
8. Currently Madison City has DSL customers and the rural areas have ; all subscribe to the highest speed offered.
9. Madison's 2010 Total Plant in Service is \$.
Madison's 2010 Net Plant is \$ (Information was provided in Exhibit III of Madison's comments).

CONFIDENTIAL INFORMATION SUBJECT TO PROTECTIVE ORDER IN DOCKETS WC 10-90, 05-337, 07-135, GN 09-51, CC 01-92

D. Company Statistics (continued)

10. Madison is currently completing a stimulus FTTH project. After the copper plant is retired, Madison's 2012 Plant in Service will be \$.

Madison's 2012 Net Plant will be \$.

11. Total 2010 Regulated revenues – \$, consisting of:

Federal USF, ICLS, LSS – \$

Local and Miscellaneous – \$

Interstate SLC's, Switched and Special Access – \$

Intrastate Access – \$, includes \$ KUSF

USF Support, Federal and State is % of total revenue.

Total 2010 regulated expenses, including depreciation and income taxes – \$.

12. 2010 Non-regulated revenues for broadband and long distance are \$; Internet backbone costs are \$.

CONFIDENTIAL INFORMATION SUBJECT TO PROTECTIVE ORDER IN DOCKETS WC 10-90, 05-337, 07-135, GN 09-51, CC 01-92

D. Company Statistics (continued)

13. Rates:

Residential Local Rate = \$16.25 plus \$6.50 SLC plus other surcharges such as USF, 911, and taxes for a total of approximately \$28; multiline business rate of \$19.25 plus \$9.20 SLC plus other surcharges such as USF, 911, and taxes for a total of approximately \$35. R1 and B1 rates are at Kansas specified affordable rates.

Basic broadband rates are \$ for residence and \$ for business.

Access rates – 2010 interstate (NECA rates) blended rate of \$.041 per minute; intrastate are in parity with interstate. Madison's access rates are as follows:

Rate Band 8, local switching \$0.036899; TST Rate Band 1, \$0.001029; TST facility Rate Band 1, \$0.000198 per MOU per mile and information surcharge \$0.000380.

CONFIDENTIAL INFORMATION SUBJECT TO PROTECTIVE ORDER IN DOCKETS WC 10-90, 05-337, 07-135, GN 09-51, CC 01-92

E. Other Pertinent Data:

Madison serves lifeline customers. The average income according to US Census is \$31,649 versus \$47,817 for the State of Kansas. Average price for housing is \$53,801 while the average for Kansas is \$125,500.

Madison has employees with a combined years of experience in telecommunications. Our staff lives in the area and are very involved in the community that we serve.

Madison takes its Carrier of Last Resort obligations very seriously. We take pride in offering high level voice and broadband services to our subscribers who are our neighbors.

CONFIDENTIAL INFORMATION SUBJECT TO PROTECTIVE ORDER IN DOCKETS WC 10-90, 05-337, 07-135, GN 09-51, CC 01-92

IV. MADISON COMMENTS TO FCC PROPOSALS

A. Madison Telephone, LLC filed comments on July 12, 2010 regarding CAF, National Broadband Plan (NBP) and USF.

Summary of comments:

1. The proposed changes to USF without an adequate and sustainable revenue replacement will jeopardize the financial viability of Madison Telephone, LLC.
2. Projected data related to the proposed changes from the NBP showed the revenue shortfall from the proposed USF changes would not allow Madison to meet its debt service.
3. Even if Madison's affordable local rates are set at comparable rates to urban landline providers or wireless providers, the revenues generated by Madison lines will not cover expenses.
4. The FCC's NBP proposals to cap legacy high cost support at 2010 will negatively affect the affordable and dependable voice and data services for our customers.

CONFIDENTIAL INFORMATION SUBJECT TO PROTECTIVE ORDER IN DOCKETS WC 10-90, 05-337, 07-135, GN 09-51, CC 01-92

IV. MADISON COMMENTS TO FCC PROPOSALS (Continued)

B. Madison Telephone, LLC filed comments on April 18, 2011 regarding the FCC's NPRM regarding USF Support and ICC.

Summary of comments:

1. Madison provided information on the financial impact of specific proposed rule changes in Appendix A of the NPRM.
2. Madison disagrees with the need to limit or eliminate corporate operations expenses includable in USF (or CAF) and ICLS, as these expenses are essential to any business.

CONFIDENTIAL INFORMATION SUBJECT TO PROTECTIVE ORDER IN DOCKETS WC 10-90, 05-337, 07-135, GN 09-51, CC 01-92

IV. MADISON COMMENTS TO FCC PROPOSALS (Continued)

3. The impact of proposed changes would require Madison to increase end user rates by by \$ per line per month to remain revenue neutral; consumers cannot be expected to absorb these increases.
4. Madison provides additional income statement information as part of this ex parte that demonstrates the devastating impact of the FCC's proposed changes to Madison's net income and the resulting tier ratio. Madison's approved loan as part of the stimulus award was based on existing FCC rules and regulations.
5. Madison supports the Rural Association's comments and efforts to assist the FCC in designing a reasonable solution to USF and ICC reform.
6. The FCC should consider alternatives such as raising all SLCs to the maximum allowed to pay for the deployment of broadband networks before USF is redirected from the high-cost rural ILECs (e.g. AT&T's residential and single line business SLC is only \$5.48, rather than standard \$6.50).

CONFIDENTIAL INFORMATION SUBJECT TO PROTECTIVE ORDER IN DOCKETS WC 10-90, 05-337, 07-135, GN 09-51, CC 01-92

V. KANSAS INTRASTATE INFORMATION

- A. Kansas is in its 15th year of the Kansas USF which was implemented to address State access charges.
- B. Every other year Kansas State access rates are adjusted to mirror interstate access rates. Currently, the rates agree with NECA's rates effective July 1, 2010.
- C. As part of the KUSF, the Kansas Corporation Commission establishes LEC statewide average rates. Effective March 1, 2011 these are residence, \$16.25 and business \$19.25.
- D. LECs provide funding for the KUSF based on an assessment per line. Effective March 1, 2011, this assessment is \$2.04 for ATT; \$1.91 for Century Link; and \$1.45 for rural LECs.

CONFIDENTIAL INFORMATION SUBJECT TO PROTECTIVE ORDER IN DOCKETS WC 10-90, 05-337, 07-135, GN 09-51, CC 01-92

VI. QUESTIONS



CONFIDENTIAL INFORMATION SUBJECT TO PROTECTIVE ORDER IN DOCKETS WC 10-90, 05-337, 07-135, GN 09-51, CC 01-92

VII. CONCLUSIONS

- Rate-of-Return regulation carrier of last resort obligations and current USF rules have worked well to bring quality voice and broadband service to rural America. Rate-of-Return regulation should be maintained for Rural ILEC's.
- We support the Rural Association's efforts designing a plan for Rate-of-Return RLEC's.
- Madison serves a high-cost area and our subscribers should have comparable affordable rates and telecommunications services.
- A new Connect America Fund, should be a replacement for USF in our high cost area and contribute to ongoing operations, maintenance and upgrades.

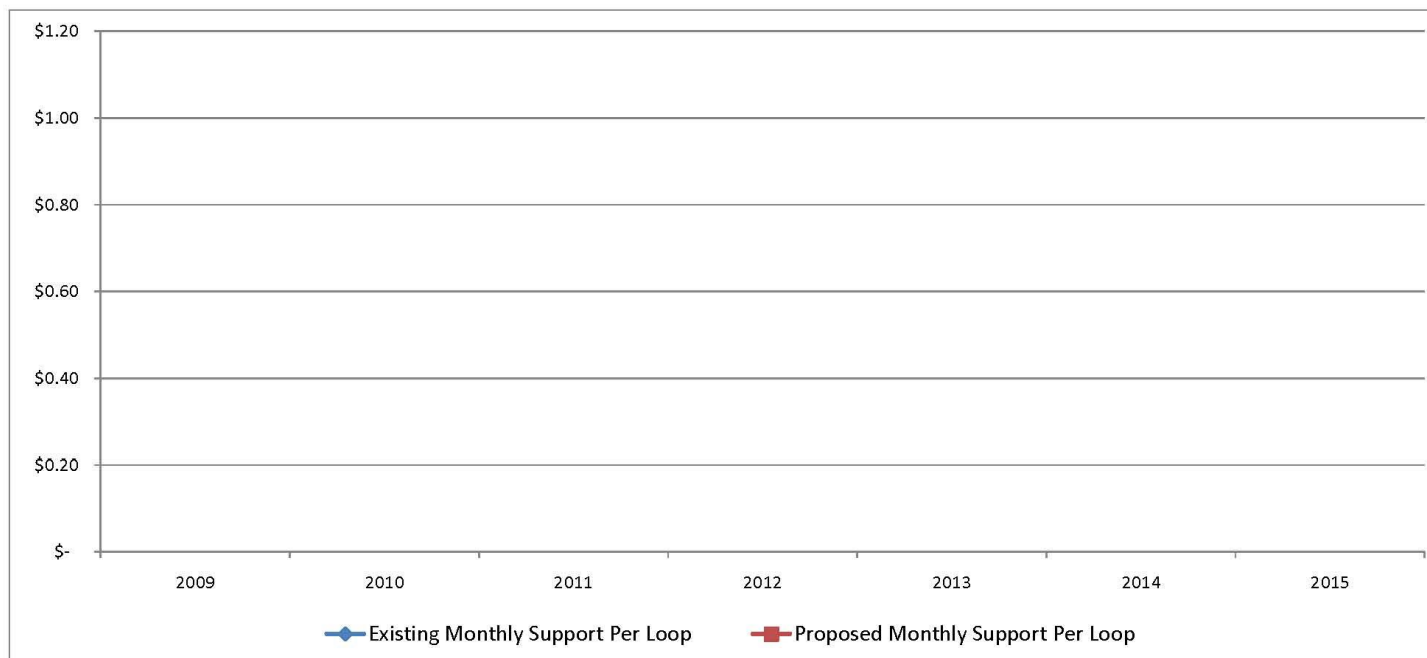
CONFIDENTIAL INFORMATION SUBJECT TO PROTECTIVE ORDER IN DOCKETS WC 10-90, 05-337, 07-135, GN 09-51, CC 01-92

VII. CONCLUSIONS (Continued)

- The potential losses of USF and ICC revenues for Madison from proposed changes is too large (i.e. \$ from USF changes) to pass on to consumers; accordingly, we must have a “revenue recovery” mechanism; otherwise, jobs will be lost and quality of service will suffer or, in the extreme, we will be out of business.

CONFIDENTIAL INFORMATION SUBJECT TO PROTECTIVE ORDER IN DOCKETS WC 10-90, 05-337, 07-135, GN 09-51, CC 01-92

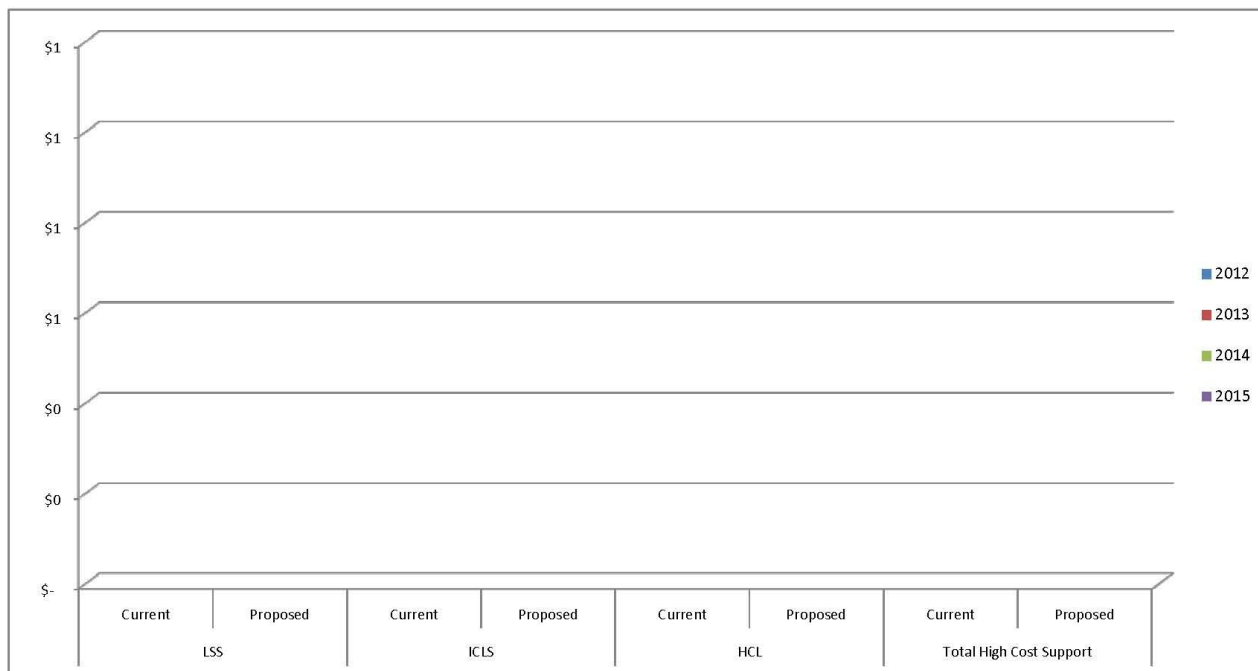
**Madison Telephone Company
Impact of Proposed FCC Changes
To Monthly High Cost Support Per Loop**



	2009	2010	2011	2012	2013	2014	2015
Existing Monthly Support Per Loop							
Proposed Monthly Support Per Loop							
Impact of Proposed Changes Per Loop Per Month							

CONFIDENTIAL INFORMATION - SUBJECT TO PROTECTIVE ORDER IN CC DOCKET NO. 01-92, WC DOCKET NOS. 05-337, 07-135 AND 10-90 AND GN DOCKET NO. 09-51 BEFORE THE FEDERAL COMMUNICATIONS COMMISSION

**Madison Telephone Company
Impact of Proposed FCC Changes
To High Cost Support**



	LSS		ICLS		HCL		Total High Cost Support		Difference	Per Line Per Month
	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed		
2012										
2013										
2014										
2015										

CONFIDENTIAL INFORMATION - SUBJECT TO PROTECTIVE ORDER IN CC DOCKET NO. 01-92, WC DOCKET
NOS. 05-337, 07-135 AND 10-90 AND GN DOCKET NO. 09-51 BEFORE THE FEDERAL COMMUNICATIONS COMMISSION

Madison Telephone Company
Remaining Life Schedule
Year: 2012

TPIS A/C	DEP RES A/C	DEP EXP A/C	DESCRIPTION	Depr Rate	TPIS	Deprec Res	Reserve Ratio	Avg Useful Life	Life Used	Remaining Life
2112.0000	3112.0000	6561.1120	VEHICLES	26.27%						
2116.0000	3116.0000	6561.1160	OTHER WORK EQUIPMENT	23.98%						
2116.2000	3116.2000	6561.1160	OTHER WORK EQUIPMENT SPECIFIC	23.98%						
2121.0000	3121.0000	6561.1210	BUILDINGS	5.02%						
2122.0000	3122.0000	6561.1220	FURNITURE	15.57%						
2123.1000	3123.1000	6561.1230	OFFICE EQ	18.10%						
2123.2000	3123.2000	6561.1160	COMPANY COMMUNICATIONS EQUIPMENT	18.10%						
2124.0000	3124.0000	6561.1240	GENERAL PURPOSE COMPUTERS	18.57%						
2212.0000	3212.0000	6561.2120	DIGITAL ELECTRONIC SWITCHING	11.58%						
2230.0000	3230.0000	6561.2300	CENTRAL OFFICE - TRANSMISSION	15.53%						
2230.1000	3230.1000	6561.2310	DSL EQUIPMENT	15.53%						
2232.0000	3232.0000	6561.2320	CIRCUIT EQUIPMENT	16.00%						
2422.0000	3422.0000	6561.4220	UNDERGROUND CABLE - METALLIC	5.38%						
2424.0000	3424.0000	6561.4240	BURIED CABLE - FIBER	5.68%						
2441.0000	3441.0000	6561.4410	UNDERGROUND CONDUIT	6.48%						
1406.1100	1406.1200	7995.1000	NON REG - LEASED EQUIPMENT	10.00%						
1406.1300	1406.1400	7300.2500	NON REG - INTERNET ACCESS EQUIPMENT	25.00%						
1406.1800	1406.1850	7996.1110	M T WIRELESS EQUIPMENT	42.34%						
1406.3000	1406.3500	7996.1110	WIRELESS COMMUNICATIONS EQUIPMENT	42.34%						
1406.4000	1406.4500		WIRELESS DISPLAY EQUIPMENT	42.34%						
2111.0000			LAND							
TOTAL										

CONFIDENTIAL INFORMATION - SUBJECT TO PROTECTIVE ORDER IN CC DOCKET NO. 01-92, WC DOCKET NOS. 05-337, 07-135 AND 10-90 AND GN DOCKET NO. 09-51 BEFORE THE FEDERAL COMMUNICATIONS COMMISSION

National Broadband Plan
Potential Additional Revenues for Large ILECs requesting USF for Unserved Territories
Based on the FCC's December 2010 Monitoring Report - Table 7.9

TOP 6 COMPANIES ONLY

Company	Subscriber Line Charge - Monthly Rates			Variance Needed to get to Standard			2008 Avg Monthly Access Lines (in 1000s)			Potential Annual SLC Revenue Available for Broadband Deployment and NOT Needed from USF			
	Res & SLB	Non-Primary	MLB & Centrex	Res & SLB	Non-Primary	MLB & Centrex	Res & SLB	Non-Primary	MLB & Centrex	Res & SLB	Non-Primary	MLB & Centrex	Total
AT&T	\$ 5.48	\$ 5.24	\$ 5.40	\$ 1.02	\$ 1.76	\$ 3.80	27,857	2,937	16,616	\$ 340,969,680	\$ 62,029,440	\$ 757,689,600	\$ 1,160,688,720
Century Link	5.75	5.53	6.93	0.75	1.47	2.27	4,934	297	1,721	44,406,000	5,239,080	46,880,040	96,525,120.00
Frontier	6.39	6.89	8.83	0.11	0.11	0.37	4,207	205	1,407	5,553,240	270,600	6,247,080	12,070,920.00
Qwest	5.97	6.09	6.29	0.53	0.91	2.91	5,854	519	2,514	37,231,440	5,667,480	87,788,880	130,687,800.00
Verizon	6.21	6.18	6.48	0.29	0.82	2.72	15,955	1,826	8,254	55,523,400	17,967,840	269,410,560	342,901,800.00
Windstream	6.34	6.55	7.89	0.16	0.45	1.31	1,839	306	752	3,530,880	1,652,400	11,821,440	17,004,720.00
TOTALS - TOP 6 ILECS										\$ 487,214,640	\$ 92,826,840	\$ 1,179,837,600	\$ 1,759,879,080
TOTALS - WITHOUT NON-PRIMARY LINES										\$ 487,214,640	N/A	\$ 1,179,837,600	\$ 1,667,052,240

FCC CAP = Assumed Standard	\$ 6.50	\$ 7.00	\$ 9.20
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CONFIDENTIAL INFORMATION SUBJECT TO PROTECTIVE ORDER IN DOCKETS WC 10-90, 05-337, 07-135, GN 09-51, CC 01-92

Madison Telephone Company

Study Area 411801

Estimated Impacts of FCC 11-13 NPRM

CONFIDENTIAL INFORMATION - SUBJECT TO PROTECTIVE ORDER IN CC DOCKET NO. 01-92, WC DOCKETS NO 05-337, 07-135 AND GN DOCKET NO 09-51 BEFORE THE FCC

Line	Calc	Description	Cost Studies		NECA Forecast		Stimulus/Projections		
			2009	2010	2011	2012	2013	2014	2015
<u>Existing Universal Service Support</u>									
1	USAC or RMS	Local Switching Support (LSS)							
2	USAC or RMS	Interstate Common Line Support (ICLS)							
3	USAC or RMS	High Cost Loop Support (reflects 2 year lag)							
4	USAC or RMS	Safety-net Additive							
5	Sum 1 to 4	Current Annual Support							
6	HCL Ln 070	Category 1.3 Loops							
7	Ln 5 / Ln 6	Current Annual Support per Loop							
<u>Revised Support based on Phase out of Corp. Op Exp., Reduced % for HCL and Phase out of LSS</u>									
8	Calc Ln 43	Local Switching Support (LSS)							
9	Calc Ln 46	Interstate Common Line Support (ICLS)							
10	Calc Ln 56	High Cost Loop Support (reflects 2 year lag)							
11		Safety-net Additive							
12		Revised Annual Support							
<u>Impact of Support Changes</u>									
13	Ln 8 - Ln 1	Local Switching Support (LSS)							
14	Ln 9 - Ln 2	Interstate Common Line Support (ICLS)							
15	Ln 10 - Ln 3	High Cost Loop Support (reflects 2 year lag)							
16		Safety-net Additive							
17		Annual Support Reduction							
<u>Impact Per USE Loop</u>									
18	Ln 13 / Ln 6	Local Switching Support (LSS)							
19	Ln 14 / Ln 6	Interstate Common Line Support (ICLS)							
20	Ln 15 / Ln 6	High Cost Loop Support (reflects 2 year lag)							
21		Safety-net Additive							
22	Ln 17 / Ln 6	Annual Support Reduction Per Loop (Recovery Unknown)							
23	Ln 22 / 12	Monthly Support Reduction per Loop (Recovery Unknown)							
<u>Comparison of Current Local Rates to Proposed Benchmark</u>									
24		Current Local Residential Rate							
25		Current Business Rate							
26		Residence Lines							
27		Single Line Business Lines							
28		Multi-Line Business Lines							
29	Input & Calc	Current Average Local Rate without Additional Charges							
30	NPRM	Proposed National Benchmark without Additional Charges							
31	Ln 24 - Ln 25	Difference from Proposed National Benchmark							

Madison Telephone Company
Study Area 411801
Comparison of Net Income and Tier Ratio

CONFIDENTIAL INFORMATION - SUBJECT TO PROTECTIVE ORDER IN CC DOCKET NO. 01-92, WC DOCKETS NO 05-397, 07-135 AND GN DOCKET NO 09-51 BEFORE THE FCC

USAC/Cost Studies			NECA Forecast		Stimulus/Projections				
Line	Source	Description	2009	2010	2011	2012	2013	2014	2015
	<u>Regulated Revenues - USF Support:</u>								
Ln 1a	USAC Disbursement, NECA Forecast/Projections	NECA-LSS							
Ln 1b	USAC Disbursement, NECA Forecast/Projections	NECA-ICLS							
Ln 1c	USAC Disbursement, NECA Forecast/Projections	USF HCL							
Ln 1d	From USAC - Disbursement Data	USF SNA							
Ln 2	= <u>(Sum Ln1a thru Ln1d)</u>	SUBTOTAL -USF							
Ln 3		1.3 Loops							
Ln 4	= <u>(Ln2 / Ln3)</u>	Annual USF Support per Line							
	<u>Other Regulated Revenues:</u>								
Ln 5	Estimated Impact, Ln 14	Additional Interstate Revenue							
Ln 6	CSS Summary File	Other Revenue (ie Local, Intrastate Access, etc)							
Ln 7	= <u>(Sum Ln 5 + Ln 6)</u>	SUBTOTAL - All other Reg. Revenues:							
Ln 8	= <u>(Ln 2 + Ln 7)</u>								
	<u>Regulated Operating Expense, Interest, Other:</u>								
Ln 9a	CSS File Summary or P36, S-8, Ln 11 and Ln 12	Corporate Operations expense							
Ln 9b	CSS File Summary or P36, S-8, Ln 15	Depreciation expense (FYD)							
Ln 9c	CSS File Summary - LN 12 and LN 13	All Other Operating Exp & Taxes (excludes FIT SIT)							
Ln 10	= <u>(Sum Ln 9a to Ln 9c)</u>								
	<u>Regulated Operating Income</u>								
Ln 11	= <u>(Ln 8 - Ln 10)</u>	Regulated Operating Income Before Income Tax							
Ln 12	<u>(Ln 11 - Ln 17) * ETR</u>	Operating Income Tax							
Ln 13	<u>LN 11 - LN 12</u>	Operating Income							
	<u>Non-Regulated Revenue and Operating Expense</u>								
Ln 14a	NECA's DR from July 2010	Long Distance, Internet and Other Revenue							
Ln 14b	NECA's DR from July 2010	Long Distance, Internet and Other Revenue							
Ln 14c	<u>Ln 14a - Ln 14b</u>	Income from Non-regulated Operations							
Ln 14d	<u>Ln 14c * ETR</u>	Non-regulated Income Tax							
Ln 14e	<u>Ln 14c - Ln 14d</u>	Income from Non-regulated Operations							
Ln 15	Actual, NECA Forecast, Projections	Operating Fixed Charges							
Ln 15b	Actual, NECA Forecast, Projections	Non-operating Fixed Charges							
Ln 15c	<u>Ln 15a + Ln 15b</u>	Total Fixed Charges							
Ln 16	<u>Ln 13 + Ln 14c - Ln 15</u>	Net Income (Regulated and Non-regulated)							
Ln 17	CSS File Summary	Net Investment (Excludes CWC)							
Ln 18	= <u>(Ln 13 / Ln17)</u>	ROR							
Ln 19	= <u>(Ln 16 + Ln 15) / Ln15</u>	TIER							
	<u>NBP NPRM Amounts</u>								
Ln 20	Estimated Input, Line 23	High Cost Loop Fund							
Ln 21	Estimated Input, Line 19	Safety Net Additive							
Ln 22	Estimated Input, Line 21	LSS							
Ln 23	Estimated Input, Line 22	ICLS							
Ln 24	= <u>(Sum Ln22 thru Ln25)</u>	Estimated Support Amount from NPRM							
Ln 25	= <u>(Ln 24 - Ln 2)</u>	Support Reduction from NPRM (Before Inc Tax)							
Ln 26	= <u>Ln 25 - (Ln 25*ETR)</u>	Support Reduction from NPRM (Net of Inc Tax)							
Ln 27	= <u>(Ln 13 + Ln 26)</u>	Modified Operating Income							
Ln 28	= <u>(Ln 16 + Ln 26)</u>	Modified Net Income (Regulated and Non-regulated)							
Ln 29	= <u>(Ln 28 / Ln 17)</u>	Modified ROR							
Ln 30	= <u>(Ln28 + Ln 15)/Ln15)</u>	Modified TIER							